

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
AUTHORIZING CERTAIN SHORT-TERM BONDS TO BE ISSUED PURSUANT TO THE  
SEVERANCE TAX BONDING ACT IN FISCAL YEAR 2003 FOR THE PURPOSE OF  
CORRECTING DEFICIENCIES IN PUBLIC SCHOOLS PURSUANT TO THE PUBLIC  
SCHOOL CAPITAL OUTLAY ACT.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-27-14 NMSA 1978 (being Laws 1961, Chapter 5, Section 11, as amended) is amended to read:

"7-27-14. AMOUNT OF TAX--SECURITY FOR BONDS.--

A. The legislature shall provide for the continued assessment, levy, collection and deposit into the severance tax bonding fund of the tax or taxes upon natural resource products severed and saved from the soil of the state that, together with such other income as may be deposited to the fund, will be sufficient to produce an amount that is at least the amount necessary to meet annual debt service charges on all outstanding severance tax bonds and supplemental severance tax bonds.

B. Except as otherwise specifically provided by law, the state board of finance shall issue no severance tax bonds unless the aggregate amount of severance tax bonds outstanding, and including the issue proposed, can be serviced with not more than fifty percent of the annual deposits into the severance tax bonding fund, as determined by the deposits during the preceding fiscal year.

C. The state board of finance shall issue no supplemental severance tax bonds with a term that extends beyond the fiscal year in which the bonds are

issued unless the aggregate amount of severance tax bonds and supplemental severance tax bonds outstanding, and including the issue proposed, can be serviced with not more than sixty-two and one-half percent of the annual deposits into the severance tax bonding fund, as determined by the deposits during the preceding fiscal year.

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D. Except as otherwise specifically provided by law, the state board of finance may issue supplemental severance tax bonds with a term that does not extend beyond the fiscal year in which they are issued if the debt service on such supplemental severance tax bonds when added to the debt service previously paid or scheduled to be paid during that fiscal year on severance tax bonds and supplemental severance tax bonds does not exceed eighty-seven and one-half percent of the deposits into the severance tax bonding fund during the preceding fiscal year.

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E. The provisions of this section shall not be modified by the terms of any severance tax bonds or supplemental severance tax bonds hereafter issued."

Section 2. TEMPORARY PROVISION--SHORT-TERM BONDS AUTHORIZED FOR FISCAL YEAR 2003.--In addition to the bonds issued pursuant to Section 7-27-14 NMSA 1978 and notwithstanding the limitations of that section, in compliance with the Severance Tax Bonding Act, in fiscal year 2003 the state board of finance may issue and sell supplemental severance tax bonds with a term that does not extend beyond the fiscal year in which they are issued in an amount not exceeding forty million dollars (\$40,000,000) when the public school capital outlay council certifies by resolution the need for the issuance of the bonds. The proceeds from the sale of the bonds are appropriated to the public school capital outlay fund for the purpose of making awards of grant assistance for correcting deficiencies pursuant to the Public School Capital

Outlay Act; provided, however, that no supplemental severance tax bonds shall be issued pursuant to this section:

A. until all other severance tax bonds and supplemental severance tax bonds to be issued in fiscal year 2003 have been issued; and

B. unless the balance in the severance tax bonding fund as of the date that the bonds are issued is greater than the sum of:

(1) the debt service on the supplemental severance tax bonds to be issued pursuant to this section;

(2) the debt service scheduled to be paid during the remainder of the fiscal year on all outstanding severance tax bonds and supplemental severance tax bonds; and

(3) the amount necessary to meet all principal and interest payments on outstanding bonds payable from the severance tax bonding fund on the next two financing dates.

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